

USDA Hazardous Materials Management Program

Strategic Plan

December 19, 2001

Introduction

The Hazardous Materials Management Program (HMMP) was established at the Department level after a nationwide inventory of USDA facilities in 1985 found numerous inadequacies in the storage, handling, and disposal of hazardous substances and wastes and thousands of sites with releases or potential releases of hazardous substances, including underground fuel and chemical storage tanks, abandoned mines, landfills, trespass dumps, and illegal drug lab wastes. Many of these site problems are attributed to the activity of non-USDA parties on lands under USDA jurisdiction, custody, and control.

The Hazardous Materials Management Appropriation (HMMA) was established in 1988 to provide targeted funding for priority hazardous materials cleanup projects on facilities and lands under USDA jurisdiction, custody, and control and USDA's share of the costs of cleanup projects at non-USDA sites where USDA activities may have resulted in contamination. Agency funds and the HMMA are both used in meeting HMMP goals and objectives. Projects and activities performed with HMMA funds are limited to those required by and conducted pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

The Hazardous Materials Policy Council (HMPC) was established in 1999 to provide Departmental leadership of the HMMP and to improve consistency in program management and execution across all USDA agencies. The HMPC consists of senior policy representatives from affected mission areas and agencies and is chaired by an appointee of the Secretary. The Agricultural Marketing Service, Animal and Plant Health Inspection Service, Agricultural Research Service, Farm and Foreign Agricultural Services, Forest Service, Farm Service Agency (including the Commodity Credit Corporation), Food Safety and Inspection Service, Natural Resources Conservation Service, Office of the General Counsel, Rural Development, and Departmental Administration are currently represented on the HMPC. The Hazardous Materials Management Group (HMMG) serves as the program and technical staff for the HMPC.

Perspective and Outlook. Federal agencies are required to comply with applicable pollution control standards. State, tribal, and local governments and the general public expect Federal agencies to properly manage their wastes, make reasonable progress in cleaning up contaminated sites on Federal lands, restore degraded ecosystems to the greatest practicable extent, and otherwise comply with pollution control standards. The governments have environmental enforcement authority and citizens can sue the Department and its agencies for noncompliance. The HMMP employs a proactive approach to minimize enforcement actions and lawsuits against the Department for environmental compliance violations.

Participants. Only Federal employees were involved in preparation of this strategic plan.

Internet Address. This strategic plan and other information on the HMMP can be accessed on the Internet at <http://www.usda.gov/da/hmmg>.

Vision

As a result of the Hazardous Materials Management Program (HMMP), USDA agencies are recognized leaders in cleaning up historical contamination on facilities and lands under USDA's jurisdiction, custody, and control; in responsibly managing hazardous materials; and in identifying and taking advantage of pollution prevention opportunities in current and future operations.

Guiding Principles

- We in USDA are individually and collectively responsible for completing this mission of cleaning up contaminated sites and reducing threats to human health and the environment.
- We maintain a proactive program that depends on our initiative, not the initiative of others.
- We use common sense, consultation, and the best-available information and technology to make decisions and achieve results.
- We make effective use of appropriated funds by working cooperative with other Federal agencies; state, tribal, and local governments; and citizen groups on joint cleanups, and by selecting presumptive remedies or innovative technologies whenever appropriate.

Mission

The HMMP's mission is:

1. to improve and restore the environmental condition of facilities and lands under USDA jurisdiction, custody, and control by addressing contamination associated with sites releasing or with the potential to release hazardous materials and substances to the environment, primarily under provisions of CERCLA and Executive Orders 12580 and 13016;
2. to seek compensation from, or cleanup by, those responsible for contamination; and
3. to enhance USDA's environmental performance and the quality of the work environment for employees and cooperators through increased environmental awareness, compliance with applicable provisions of the Resource Conservation and Recovery Act (RCRA), and pursuit of related objectives of the Pollution Prevention Act (PPA) and the Emergency Planning and Community Right-to-Know Act (EPCRA).

The HMMP mission, goals, and objectives support USDA Strategic Goal 3: Maintain and enhance the Nation's natural resources and environment, Objective 3.2, Protect the quality of the environment; and USDA Strategic Goal 5: Operate an efficient, effective and discrimination-free organization, Objective 5.2: Improve organizational productivity, accountability and performance.

Strategic Goals and Objectives

The HMMP has two strategic goals, each with one objective, as described below.

Goal #1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA. Objective: Cleanup and restore facilities and lands contaminated from releases or threatened releases of hazardous substances and materials.

This goal and objective support USDA Strategic Goal 3, Objective 3.2 by cleaning up and restoring sites contaminated with releases of hazardous substances and materials, the primary purpose for which the HMMP was established. They also support other agency goals and objectives for improving ecosystem health. Although over 2000 sites have been cleaned up since the HMMP began in 1988, over 2000 sites remain to be addressed, many of them larger, more expensive, and more technically challenging than those cleaned up to date.

Activities in support of this goal include identification, investigation, and cleanup of sites and associated contamination; related activities, such as planning, management, and oversight necessary to implement

the HMMP within USDA; participation in intra- and inter-agency groups addressing HMMP issues; reviewing and commenting on proposed legislation and regulations that may affect USDA's HMMP activities and mission; legal review and support to ensure compliance with environmental laws and their implementing regulations; and legal representation during negotiations with responsible parties, enforcement actions, and litigation.

This strategic goal and objective are motivated by the Department's stewardship responsibilities and potential liability for sites contaminated with hazardous substances and materials on facilities or lands under USDA jurisdiction, custody, or control, as well as some non-USDA sites. At such sites, the affected agency and the Department may be subject to environmental enforcement actions and lawsuits by private parties. In some cases, fines, penalties, and lawsuits could cost more than performing a timely cleanup action.

Goal #2: Ensure responsible management in the procurement, use, storage, and disposal of hazardous materials and wastes. Objective: Improve regulatory compliance and reduce environmental contamination through pollution prevention and improvements in management practices.

This goal and objective support USDA Strategic Goal 5: Operate an efficient, effective and discrimination-free organization. They focus on improving and, where possible, systematically reducing the use, storage, and disposal of hazardous materials and wastes in current operations by USDA employees, cooperators, and contractors. This goal seeks to minimize the adverse environmental effects of current USDA activities. Integration of environmental considerations into USDA missions and establishing affirmative goals makes USDA more efficient, reduces the environmental impact of its activities, and provides a safer workplace and facilities for customers and employees. Implementation of environmental management systems will become the means of choice for meeting this goal. Consistent with the provisions of Executive Order 12898 and Departmental Regulation 5600-002, this goal promotes inclusion of environmental justice considerations in the management of hazardous materials.

Key Outcomes

Within the purpose and scope of the HMMP stated above, the key outcomes are:

Goal #1:

1. Determining the adverse effect of or threat to public health and the environment of all sites from which hazardous substances have been, are being, or may be released to the environment; and
2. Timely cleanup of those sites presenting an unacceptable threat to human health or the environment.

Goal #2:

1. Reduced costs and risks associated with use of hazardous materials and generation and disposal of hazardous wastes in agency operations.

Link to Performance Plan

Annual performance goals directly and incrementally advance the HMMP's strategic goals. This is particularly true for Strategic Goal #1, where each year's performance goal is to complete a specified number of priority cleanups. Annually, approximately 90 percent of the HMMP budget is used on

activities contributing to this goal, including actual cleanups, investigations, and cleanup planning.

Baseline Explanation. As noted above, over 2000 sites with releases or threatened releases of hazardous substances that pose actual or potential threats to human health or the environment remain to be addressed in the HMMP. Former grain storage bin sites, cattle dip vat sites, and abandoned and inactive mines (AIMs) are the most common types to be addressed. The possibility of enforcement actions and lawsuits against the Department exists at all these sites.

Strategic Target Explanation. The working cost estimate for completing the cleanup program is \$4 billion (in 2001 dollars). The planned time frame for completing the program is 50 years, beginning in 1995. Annual performance measures and targets follow from these facts. In addition, the HMMP seeks to maintain a pace of investigation, cleanup planning, and cleanup that is protective of human health and the environment and that minimizes the use of enforcement actions by regulatory agencies and lawsuits by private parties to force compliance. Such actions would increase the costs and time needed to complete cleanups and result in a poor public image.

Long-Term Strategies

Operational processes. Operationally, the HMMP is predicated on:

1. affected agencies being responsible for planning, prioritizing, requesting funds for, executing, and evaluating their HMMP projects and activities, regardless of funding source; and
2. HMMG coordinating and overseeing the USDA-wide HMMP on behalf of the HMPC and providing guidance, technical assistance, and program support and evaluation to ensure that policies and procedures are uniformly applied, HMMA funds are used appropriately, performance targets are realistic, timely budget requests are made, and performance data are analyzed and reported.

In addition to internal information systems USDA agencies may use, HMMG tracks HMMP projects and activities, including funding requests, priorities, and allocations; performance targets; obligations; and program performance. Each HMMP activity derives from a regulatory requirement and supports one of several key performance measures. This linking of planned activities and program execution to a comprehensive list of standard activities defined in applicable regulations (e.g., the National Contingency Plan for CERCLA preliminary assessments, site inspections, and response actions) ensures valid results and consistent reporting.

The following describes the roles and responsibilities of HMPC, HMMG, and the agencies in executing the HMMP:

Key tasks performed by HMPC in support of the HMMP:

- a. Provide Departmental leadership in the areas of hazardous materials management and Federal facilities compliance, serving as a deliberative body in the formulation of USDA policies and ensuring that all affected mission areas and agencies have a voice in the Department's environmental pollution prevention, control, and abatement program.
- b. Review and approve HMMA budget requests before they are presented to the Office of Management and Budget (OMB) and Congress.
- c. Review and approve HMMA budget allocations and interagency reallocations.

- d. Monitor HMMP planning and performance, including Government Performance and Results Act (GPRA) annual performance plans (APPs), annual program performance reports (APPRs), and obligation and use of HMMA funds.
- e. Provide direction to the HMMG, approve the annual work plan of activities for HMMG, and evaluate HMMG performance.
- f. Provide oversight to ascertain that applicable environmental pollution prevention, control, and abatement laws, regulations, and policies are observed in the acquisition, construction, operation, and disposal of real property.
- g. Provide guidance to USDA agencies, through HMMG, on applicable requirements and policies relating to environmental pollution prevention, control, and abatement.

Key tasks performed by HMMG in support of the HMMP:

- a. Generally administer and oversee the HMMP and HMMA on behalf of the HMPC;
- b. Review and analyze budget and performance data submitted by USDA agencies;
- c. Prepare APPs, APPRs, budget hearing testimony, and other materials in support of the HMMP for submission to OMB, Congress, and others;
- d. Provide oversight, policy, guidance, and technical assistance on agency CERCLA response actions, actions under RCRA, and underground storage tank cleanups;
- e. Coordinate application of CERCLA enforcement authority within USDA, including assisting agencies and the Office of General Counsel in potentially responsible party settlement negotiations, enforcement actions, Department of Justice referrals, and CERCLA implementation training;
- f. Participate in key rulemakings and negotiations concerning Superfund reauthorization, natural resource damage assessment and restoration, and other legislative and regulatory efforts; and
- g. Oversee agency CERCLA enforcement and cost recovery activities for consistency with USDA policies and procedures.

Key tasks performed by USDA agencies in support of the HMMP:

- a. Timely prepare and submit prioritized funding requests for planning-year HMMP activities, supporting documentation, and outyear needs estimates in formats provided by HMMG;
- b. Revise proposed programs of work and performance targets at the start of the current fiscal year based on progress in prior years and available agency and HMMA funds;
- c. Execute approved programs of work, notifying HMMG of any significant deviations;
- d. Conduct CERCLA investigations and cleanups in a manner not inconsistent with the National Contingency Plan;
- e. Consistently account for agency and allocated HMMA funds used in executing the HMMP in accordance with applicable USDA and agency policies and procedures;
- f. Reconcile agency accounting records with NFC data to ensure proper management and reporting of funds at appropriate intervals throughout the fiscal year;
- g. Promptly notify HMMG and the Office of the Chief Financial Officer (OCFO) of deobligated HMMA funds and cost recoveries and return such funds for reallocation to other priority needs if they are no longer needed;
- h. By July, promptly notify HMMG and OCFO of HMMA funds that will not or cannot be obligated by the end of that fiscal year so that they can be reallocated to other priority projects; and
- i. Report high-quality HMMP performance data using the system maintained by HMMG for preparation of APPs, APPRs, and other reports.

Skills and technologies. Successful execution of the HMMP requires skilled personnel familiar with the principles, processes, practices, and standards of environmental investigation and cleanup to properly and cost effectively plan and execute the needed work in a complex regulatory environment. Qualified contractors perform much of the actual investigative, analytical, and response work associated with cleanups on the ground; USDA employees have overall program management and fiscal responsibility and accountability. Factors in selecting cleanup technologies include regulatory requirements, timeliness, applicability in the specific setting, and cost effectiveness. Usually, proven technologies and presumptive remedies are selected; however innovative technologies may be employed if demonstrably better results can be achieved.

Human capital, information, and other resources. Resources needed to meet the HMMP's goals and objectives include a continuing source of funds, trained personnel, legal counsel and assistance, program oversight (including cost management and financial accounting), and program and project management systems that document program needs, priorities, goals, budgets, financial accountability, and performance at both the agency and Department level. Commensurate with Departmental policies and their needs, agencies maintain qualified staffs to carry out the HMMP program. As required by CERCLA, viable responsible parties are asked to pay for or perform cleanups before the Department authorizes use of the HMMA funds to do so.

Standards applicable to and governing HMMP activities. HMMP activities are required by and defined in the CERCLA, RCRA, and PPA statutes; related Executive Orders; implementing regulations; the Code of Environmental Management Principles, and a body of policy and guidance materials promulgated by USDA, the Environmental Protection Agency, other Federal agencies, and states. Other Federal regulations (e.g., contracting, procurement) may also apply. All HMMP activities observe applicable civil rights and environmental justice laws, regulations, executive orders, and USDA policies.

Relationship Between Performance Goals in APPs and Goals and Objectives in the Strategic Plan

Consistent with GPRA, HMMP performance is measured against established strategic goals and targets in annual performance goals and performance measures. The primary performance goal for the HMMP is completion of a specified number of CERCLA cleanups over a five-year period. Because of the protracted period of time that may be required to complete a CERCLA cleanup, performance measures that track progress on an annual basis are included in APPs.

On three occasions (i.e., in their HMMP budget requests, at the start of each fiscal year, and at the end of each fiscal year), agencies report to HMMG on performance targets and/or results. This information is used to prepare APPs and APPRs. For the APPR, completed activities are totaled by performance goal or measure to determine whether that year's targets were met.

Type, nature, and scope of performance goals and performance measures in APPs. HMMP performance goals and measures mirror the statutory and regulatory requirements of CERCLA and RCRA and represent the primary "deliverables" or results intended under each statutory program. For example, the primary performance indicators under Goal #1 are:

- number of sites assessed/characterized on need for cleanup,
- number of cleanup plans completed,
- number of non-mine CERCLA cleanups completed,
- number of abandoned and inactive mine CERCLA cleanups completed,
- number of agreements reached with potentially responsible parties (PRPs), and

-estimated value of cleanup/restoration work performed by PRPs (\$millions).

Generally, HMMP performance measures are intentionally outputs or intermediate outcomes in deference to the agencies, which have specific strategic goals and desired outcomes of their own regarding environmental performance, facility and ecosystem restoration, and other environmental objectives beyond the scope of the HMMP. As previously noted, the HMMP is limited to addressing CERCLA sites contaminated with hazardous substances, a limited subset of regulatory compliance issues under RCRA, and closely related statutory requirements. In this context, additional work beyond cleanup of contaminated sites may be required for an agency outcome.

Relation between performance goals and general goals and objectives. The performance goals and measures in APPs and APPRs are critical building blocks in restoring USDA facilities, lands, and watersheds. However, activities beyond the scope of the HMMP may be required to achieve larger agency and Departmental strategic goals and objectives. For example, the cleanup of AIMs in the HMMP is an integral part of Forest Service watershed restoration activities in support of USDA Strategic Goal 3, but actions other than AIM cleanup may be required to achieve desired restoration outcomes.

Role of performance goals in determining achievement of general goals and objectives. The performance goals are the general goals and objectives for the HMMP. They are represented in USDA's general goals and objectives. Performance goals and performance measures are used to maintain program focus and to provide data with which to assess progress. For example, if cleanups are being performed at a satisfactory pace but site characterization and cleanup planning are lagging, management will be able to see that the cleanup pace will not be sustainable without a reallocation of resources.

Key Factors That Could Affect Achievement of the General Goals and Objectives

The USDA goal for the HMMP is to clean up and restore all sites contaminated with hazardous materials and substances on facilities or lands under USDA jurisdiction, custody, or control within a 50 year time period. At current HMMA funding levels, USDA will not meet this goal or commitment, even utilizing agency funds, cooperative efforts with others, and requiring financially viable responsible parties to perform work or to pay for it. Regulatory agencies and stakeholders are becoming increasingly dissatisfied with the pace of the USDA program and the project postponements resulting from years of flat-lined appropriation, often forcing USDA out of being proactive and into a more defensive posture, which dramatically increases transaction costs. The problem is aggravated as the shift from identification of potential problems to the more expensive cleanup phase and associated investigative work continues. Attaining the 50-year goal required a minimum funding level of \$40-50 million each year.

At each site, the agency and the Department may be subject to environmental enforcement actions and lawsuits by private parties. Such actions can disrupt program flow and cost effectiveness by diverting resources from other critical activities to administrative and legal proceedings. Fines, penalties, and lawsuits could cost, in some cases, more than the funding needed to perform a timely cleanup action.

Cleanup and restoration of hazardous materials and waste sites is complex, expensive, and time consuming, often taking several years to complete a single site. Many of the smaller and simpler priority sites have now been addressed, leaving the more complex and more expensive projects. Contamination at many of the remaining sites, including AIMs, was generally caused by other parties, introducing another level of complexity. As provided in CERCLA, USDA is working toward having those responsible for contamination bear the cost of cleanup when appropriate.

Success in program execution takes strong, proactive management and coordination to ensure a continuing source of funds and trained personnel; timely legal counsel and assistance; program oversight (including cost management and financial accounting); and systems to prioritize needs, prepare plans, develop budgets, oversee work, report accomplishments, and evaluate progress. Establishment of the HMPC and standardization of HMMP policies and procedures helps improve USDA's ability to maintain the focus and will to meet regulatory requirements to clean up the environment and restore natural resources with a minimum of enforcement actions and private lawsuits against it.

Program Evaluation

The primary purpose of the HMMP is embodied in Goal #1, namely, cleaning up and restoring facilities and lands contaminated from releases of hazardous substances and materials. About 90 percent of the HMMP budget supports investigation and cleanup of past contamination on lands and facilities under USDA jurisdiction, custody, and control. The remaining 10 percent of the budget is for essential RCRA compliance and related pollution prevention activities in support of Goal #2. USDA agencies are encouraged to initiate and maintain more aggressive compliance and pollution prevention initiatives on their own to reduce operating costs and control potential liabilities.

Evaluation of HMMP performance is ongoing throughout the budget cycle, from budget preparation to accomplishments reporting and accounting for funds, as described above. A *de facto* measure of program success is the extent to which enforcement actions and lawsuits are not brought against the Department. However, this direct measure of performance is not easily quantified, in part because only a very small percentage of USDA facilities are the subject of regulatory inspections. For its size, the HMMP, particularly the portion funded from the HMMA, has a level of oversight and reporting far exceeding many other USDA programs. No additional program evaluation is planned or believed to be warranted.

Program improvements needed. An assessment of the HMMP's structure and performance follows. Needed program changes and improvements to be completed in fiscal years 2002 and 2003 are identified where applicable.

Organizational structure. Changes to the structure and organizational placement of the HMMP that started in 1998 were completed in 2000. No improvements in this area are deemed to be necessary at this time. If a comprehensive USDA environmental management and compliance program is established at the Department level, integration of the HMMP would be addressed at that time.

Strategic/performance goals and objectives. Goals and objectives are fully aligned with the statutory language governing the HMMA, the HMMP mission, and USDA's strategic goals. No improvements in this area are deemed to be necessary at this time.

Procedures. The revision of Department Manual (DM) 5600-1 that started in 1998 will continue. Chapters I, V, XI, XII, and XIII were updated in Amendments 1 (1999) and 2 (2000). The other seven chapters contain dated material and capture only general statutory provisions of the major Federal environmental statutes without interpretation or specifying authorities and responsibilities. A small number of new chapters, on the order of three to four, is needed to address topics such as public-public and public-private land transfers. The seven chapters requiring updating and these new chapters will be included in Amendment 3 to be published in FY 2002.

Performance measurement. The HMMP performance measures are all derived from the statutes, implementing regulations, and policies that govern this dedicated program, and performance goals reflect,

given current funding levels, a balanced response to public demands for environmental cleanup. No significant changes in the conceptual framework for performance measurement or reporting are deemed to be necessary at this time. Minor refinements in performance measures and documentation procedures will continue to be adopted as needed.

Policies. Effort in this area will continue ongoing initiatives to:

1. Update and assemble HMMP policies in DM 5600-1, including those now promulgated in letter or memorandum format;
2. Periodically review and update DM 5600-1 to keep it current;
3. Improve project planning, prioritization, scheduling, and cost estimating;
4. Verify, validate, and attest to the completeness and reliability of HMMP information agencies submit and HM MG uses to prepare APPs, APPRs, and other reports;
5. Improve funds management and fiscal accountability, including minimization of HMMA carryover in accordance with program goals and policies; and
6. Deobligate and re-program unexpended HMMA obligations once projects are completed.

Standards. No substantial change in this area is deemed to be necessary at this time. The project activities in the HMMP are established and defined in statutory and regulatory provisions. The performance goals and indicators are consistent with GPRA. The definitions used to define project status are discrete and do not overlap. Activities are considered completed only when no additional funds or resources are needed, all regulatory reviews and approvals are done, all contracts are closed out, all unexpended obligated funds are de-obligated, and all allocated funds are reallocated to other uses.

Controls. No improvement in this area are deemed to be necessary at this time.

Plan of Action and Target Dates

Action	Target Date
Update and assemble HMMP policies in DM 5600-1, including those now promulgated in letter or memorandum format.	March 2002
Periodically review and update DM 5600-1 to keep it current.	Biennially
Improve project planning, prioritization, scheduling, and cost estimating.	Ongoing
Verify, validate, and attest to the completeness and reliability of HMMP information agencies submit and HM MG uses to prepare APPs, APPRs, and other reports.	Ongoing
Improve funds management and fiscal accountability, including minimization of HMMA carryover in accordance with program goals and policies.	Ongoing
Deobligate and re-program unexpended HMMA obligations once projects are completed.	Ongoing

Management Challenges and High-Risk Areas

Environmental compliance activities and liabilities. The HMMP and this strategic plan are the means by which this management challenge will be addressed.